

the fiscal year in which his decision is made.

(b) A request for amendment will be considered to be timely if it is included with the written submittal required by § 1302.20(a) of this part, submitted within 30 days after receiving the notice required by § 1302.20(b) of this part, or submitted as a part of a timely application for refunding.

(c) The grantee will be notified in writing by the responsible HHS official within 30 days after submission of the requested amendment of the decision to approve or disapprove the requested amendment. If the requested amendment is disapproved the notice will contain a statement of the reasons for disapproval.

**§ 1302.22 Suspension or termination of grantee which shows financial viability but not legal status.**

If a grantee fails to show that it will continue to have legal status after the date of change even though it may show financial viability, the grant shall be suspended or terminated or refunding shall be denied as of the date of change. If it appears reasonable to the responsible HHS official that the deficiency in legal status will be corrected within 30 days he may suspend the grant for not to exceed 30 days after the date of change or the date of submission of a timely request for amendment. If such correction has not been made within the 30 day period the grant shall be terminated.

**§ 1302.23 Suspension or termination of grantee which shows legal status but not financial viability.**

(a) If the date of change of financial viability precedes or will precede the end of the grantee's program year the grant will be suspended or terminated on that date, or, if a request for amendment has been submitted under § 1302.21 of this part, upon written notice of disapproval of the requested amendment, whichever is later. If it appears reasonable to the responsible HHS official that the deficiency in financial viability will be corrected within 30 days he may suspend the grant for not to exceed 30 days after the date of change or notice of disapproval. If such correction has not been made within the 30

day period the grant will be terminated.

**§ 1302.24 Denial of refunding of grantee.**

(a) If the date of change will coincide with or will come after the end of the program year and the grantee has notice or knowledge of such change prior to the end of the program year any action taken to approve the grantee's application for refunding for the following program year shall be subject to rescission or ratification depending upon the decision of the responsible HHS official on the grantee's legal status and financial viability and on any requested amendment submitted by the grantee. If the requested amendment is disapproved the responsible HHS official may extend the program year in accordance with § 1302.20(c) of this part.

(b) If the date of change coincides with the end of the program year and the grantee does not have notice or knowledge of the change prior thereto and the grantee's application for refunding for the following program year has been approved, such approval shall be subject to rescission or ratification depending upon the decision of the responsible HHS official on the grantee's legal status and viability and on any requested financial amendment submitted by the grantee.

(c) If the date of change will coincide with or will come after the end of the program year and if the responsible HHS official has prior notice thereof from the grantee or other official source such as the Community Services Administration action to approve any application for refunding submitted by the grantee shall be deferred pending decision by the responsible HHS official on the grantee's legal status and financial viability and any requested amendment submitted by the grantee.

(d) When the responsible HHS official determines to approve a requested amendment for refunding he will approve it for the full term of the proposed program period, if that period as approved is no longer than a program year.

## § 1302.25

### § 1302.25 Control of funds of grantee scheduled for change.

Responsible HHS officials will place strict controls on the release of grant funds to grantees which are scheduled for change by cessation of their grants under section 519 of the Act. Specifically, the following controls will be established:

(a) Funds will be released on a monthly basis regardless of the form of grant payment.

(b) Funds released each month will be limited to the amount required to cover actual disbursements during that period for activities authorized under the approved Head Start program.

(c) The amount of funds released must be approved each month by the responsible HHS official.

## PART 1303—APPEAL PROCEDURES FOR HEAD START GRANTEES AND CURRENT OR PROSPECTIVE DELEGATE AGENCIES

### Subpart A—General

Sec.

1303.1 Purpose and application.

1303.2 Definitions.

1303.3 Right to attorney, attorney fees, and travel costs.

1303.4 Remedies.

1303.5 Service of process.

1303.6 Successor agencies and officials.

1303.7 Effect of failure to file or serve documents in a timely manner.

1303.8 Waiver of requirements.

### Subpart B—Appeals by Grantees

1303.10 Purpose.

1303.11 Suspension on notice and opportunity to show cause.

1303.12 Summary suspension and opportunity to show cause.

1303.13 Appeal by a grantee of a suspension continuing for more than 30 days.

1303.14 Appeal by a grantee from a termination of financial assistance.

1303.15 Appeal by a grantee from a denial of refunding.

1303.16 Conduct of hearing.

### Subpart C—Appeals by Current or Prospective Delegate Agencies

1303.20 Appeals to grantees by current or prospective delegate agencies of rejection of an application, failure to act on an application, or termination of a grant or contract.

## 45 CFR Ch. XIII (10–1–96 Edition)

1303.21 Procedures for appeal by current or prospective delegate agencies to the responsible HHS official from denials by grantees of an application or failure to act on an application.

1303.22 Decision on appeal in favor of grantee.

1303.23 Decision on appeal in favor of the current or prospective delegate agency.

1303.24 OMB control number.

AUTHORITY: 42 U.S.C. 9801 *et seq.*

SOURCE: 57 FR 59264, Dec. 14, 1992, unless otherwise noted.

### Subpart A—General

#### § 1303.1 Purpose and application.

This part prescribes regulations based on section 646 of the Head Start Act, 42 U.S.C. 9841, as it applies to grantees and current or prospective delegate agencies engaged in or wanting to engage in the operation of Head Start programs under the Act. It prescribes the procedures for appeals by current and prospective delegate agencies from specified actions or inaction by grantees. It also provides procedures for reasonable notice and opportunity to show cause in cases of suspension of financial assistance by the responsible HHS official and for an appeal to the Departmental Appeals Board by grantees in cases of denial of refunding, termination of financial assistance, and suspension of financial assistance.

#### § 1303.2 Definitions.

As used in this part:

*Act* means the Head Start Act, 42 U.S.C. section 9831, *et seq.*

*ACYF* means the Administration on Children, Youth and Families in the Department of Health and Human Services, and includes Regional staff.

*Agreement* means either a grant or a contract between a grantee and a delegate agency for the conduct of all or part of the grantee's Head Start program.

*Day* means the 24 hour period beginning at 12 a.m. local time and continuing for the next 24 hour period. It includes all calendar days unless otherwise expressly noted.

*Delegate Agency* means a public or private non-profit organization or